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OTHER MATTERS

The Cyprus country office

1. Net contributor status in the fifth programming period (1992-1996) was accorded to countries with a 1989 per capita gross national product (GNP) above $3,000, and island developing countries with a population of less than 2 million and with a per capita GNP above $4,200. In its decisions 91/29 and 92/6, the Governing Council authorized the Administrator to maintain field offices in net contributor countries, provided there was no cost to the United Nations Development Programme (UNDP). However, the Council stipulated that countries with programme activities that exceeded $15 million in the course of the fifth programming period could be provided with a Resident Representative and Deputy Resident Representative financed by UNDP, and that countries with programme activities that exceeded $10 million could be provided with a Resident Representative financed by UNDP.

2. Cyprus was one of the programme countries that graduated to net contributor status in the fifth programming period. As its programme activities were not expected to exceed $5 million in the current programming period, the UNDP presence in Cyprus was to be at no cost to the organization. The total costs of the Cyprus office for the period 1992-1996 is estimated at $3,107,000 ($1,074,000 for international staff costs and $2,033,000 for local costs). The amount of $1,344,000 has been received from the Government as a contribution towards these costs, leaving an estimated shortfall of $1,763,000.

3. In early 1992, the Government of Cyprus took the initial position that the net contributor status should not apply to Cyprus and informed the Administrator that, in view of its special situation, it would like its fourth cycle status to continue in the fifth cycle. However, in paragraph 26 of his report of 2 April 1992 on matters relating to the fourth and fifth programming cycles (DP/1992/22), which the Governing Council took note of in its decision 92/30, the Administrator informed the Council that in consultations the Government of

Cyprus had indicated that it wished a continued UNDP presence in the country and that it was prepared to cover the cost of the office.

4. During the current programming period, the Administrator has engaged in consultations on this matter with the Government of Cyprus. In early 1996, with the imminent ending of the current programming period, the Administrator requested the Government to provide its views on the continuation of the UNDP presence in Cyprus, bearing in mind its obligations as a net contributor country. Following the numerous exchanges with the view to seeking a mutually acceptable compromise, the Government has now indicated that, while it is willing to honour its full obligations as a net contributor country in the next programming period, beginning in 1997, it is not in a position to meet its obligations in full for the 1992-1996 period.

5. While the Administrator is appreciative of the commitment of the Government of Cyprus to accept its obligations as a net contributor country in the next programming period, he wishes to inform the Executive Board that he has decided to close the UNDP Cyprus office with effect from 31 March 1997. The Administrator has made this decision without prejudice to providing UNDP services, if requested by the Government of Cyprus, from a convenient location on a reimbursable basis.